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TAKE A LOOK

inside

POLYAIR INTER PACK INC.
2000 ANNUAL REPORT

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Polyair Inter Pack Inc. manufactures protective packaging and swimming pool accessory products which are sold through a select network of some 2,500 distributors across North America.

Headquartered in Toronto, Ontario, Polyair operates ten manufacturing facilities, seven of which are based in the United States where the Company generates approximately 85 percent of its annual sales. The shares are listed on both the Toronto Stock Exchange and the American Stock Exchange under the symbol "PPK".

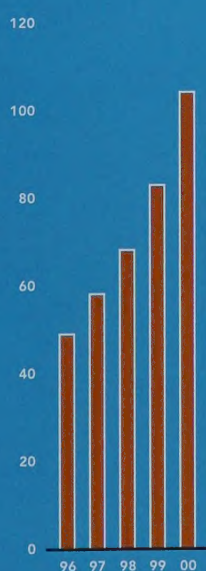
LET'S TALK

growth

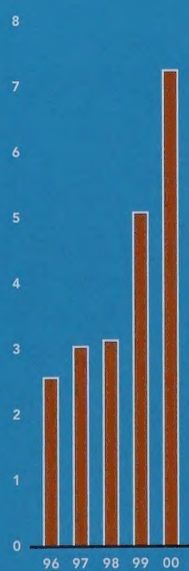
With a wealth of experience and an eye to the future, Polyair continues to build on success. Through a larger customer network, product innovation, capacity expansion and strategic acquisitions, we are pleased to report that through the year 2000 we have continued our upward trend.

Financial Highlights

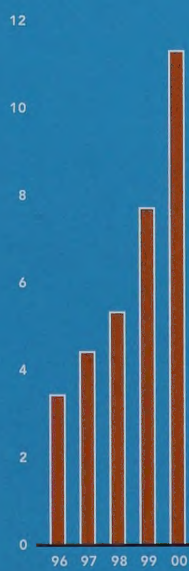
(\$ in millions of U.S. dollars)



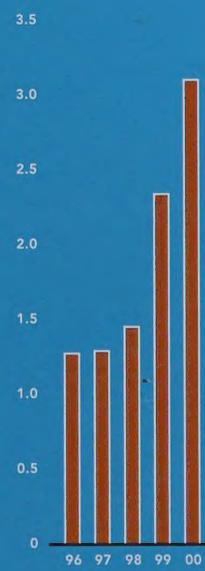
SALES



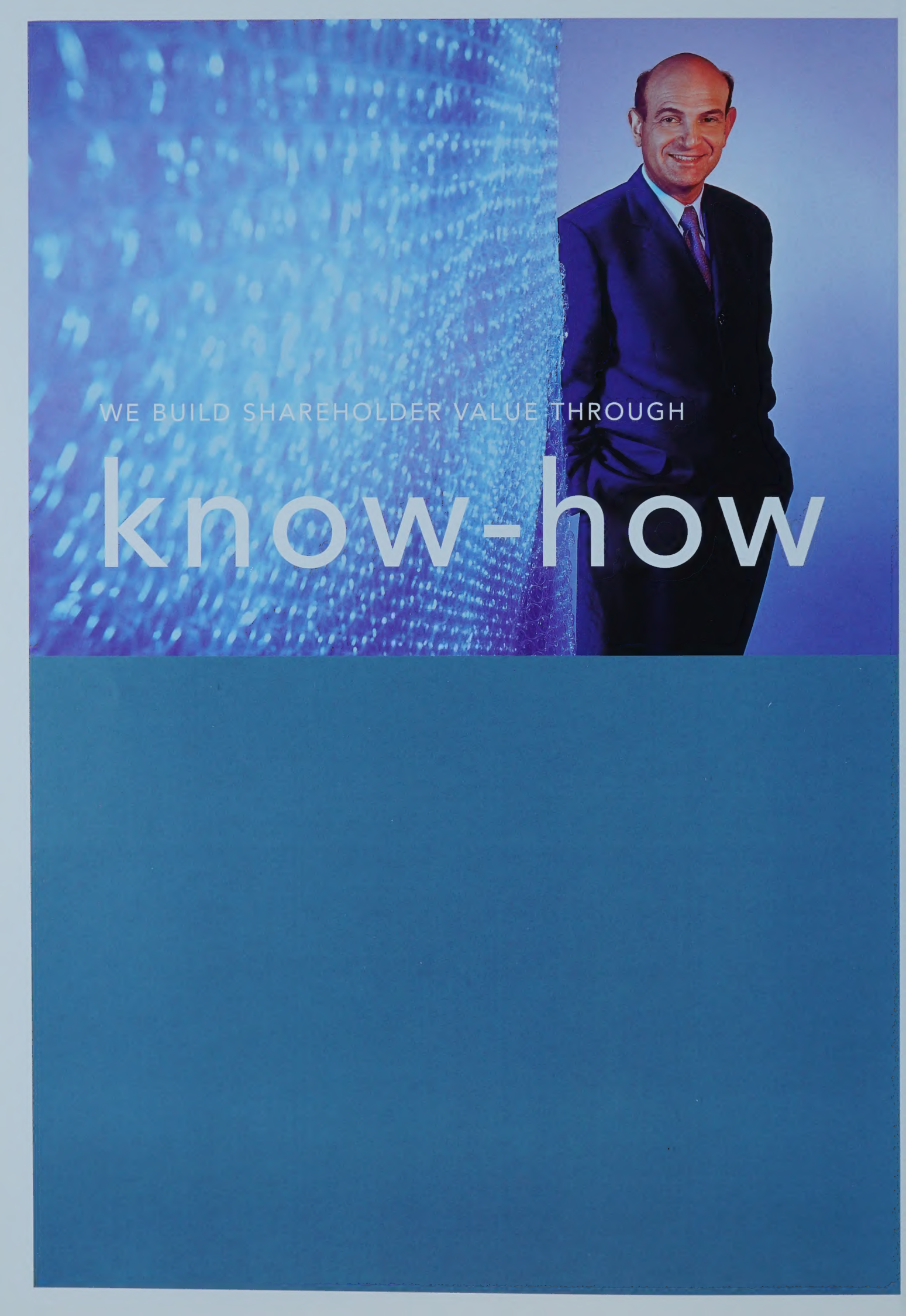
OPERATING
PROFIT



EBITDA



NET INCOME

A man in a dark suit and tie stands smiling next to a blue textured wall. The wall has a pattern of small, bright blue dots. The background is a solid blue gradient.

WE BUILD SHAREHOLDER VALUE THROUGH

know-how



ECO-LITE®
golden kraft bubble mailer



PROTECT-A-POOL™
above ground pool fence

From its beginning, the Polyair name has stood for quality and dependability. Our continued success is a result of experience and our ability to respond to the constantly changing market.

The year 2000 was exceptional for Polyair as we showed strong and consistent growth in revenues and cash flow for both segments of our business. We attribute this success to broadened product offerings and increased sales across existing product lines. In addition we expanded our geographic markets and widened sales to new channels of distribution.

We attained sales of U.S. \$105.0 million, a 25.8% growth over our previous year's results. Our net after tax profit increased significantly by 32.2% to \$3.1 million. I am proud to state that our sales CAGR (cumulative growth) over the last five years averaged 20.6% and our EBITDA (earnings before interest, taxes and depreciation) over the same period equated to 35.2%.

Polyair has generated strong internal growth through \$32 million of strategic investments in existing and new manufacturing facilities from 1996 through fiscal year 2000. This was done in order to increase capacity, to vertically integrate the manufacturing process, and to expand its geographic presence. The company, through acquisitions, has increased its capability to deliver product to its customers on a "Just-In-Time" basis. This past year, the purchase of the assets of Accent Packaging secured our ability to meet the demands of the ever growing retail sector in key market areas.

Polyair and Cantar are established names in both the packaging and pool industries across North America. We offer our customers superior product, a dedicated and experienced management team and staff and most importantly, unsurpassed customer service. We know that this is what provides the company with a solid base and our excellent reputation. It is with this in mind that I congratulate all of Polyair's employees for their continued dedication and enthusiasm. With all of our combined efforts, 2001 will be a continuation of our success story. On behalf of our more than 800 employees, Officers and Directors, I want to thank all Shareholders for your continued support. We believe that our strategy combined with an eventual sector shift back to small cap industrial stocks will allow our Shareholders to enjoy capital growth with Polyair Inter Pack.

Henry Schnurbach
PRESIDENT AND CHIEF EXECUTIVE OFFICER

WE'RE ON THE MAP

10 Manufacturing and Sales Facilities

2,500 Distributors

CORONA
(LOS ANGELES)

TORONTO
(3 FACILITIES)

CHICAGO

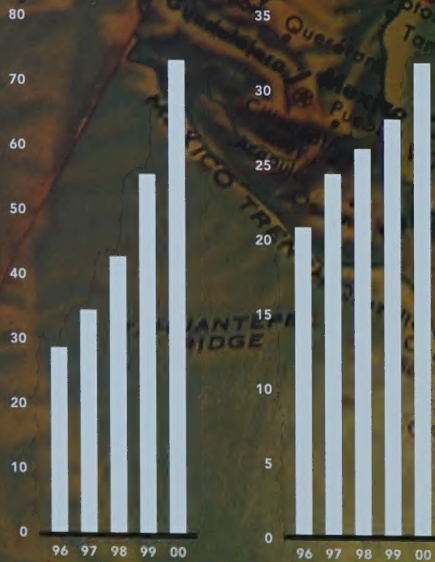
YOUNGSTOWN

CARLSTADT
(NEW YORK CITY)

DALLAS

BARDSTOWN

ATLANTA



SALES
PACKAGING
PRODUCTS

SALES
POOL
PRODUCTS

Packaging Products Profile

At Polyair we make more than just bubble. We manufacture a complete line of protective packaging products. Our five major categories include Durabubble with remarkable burst strength, Mailers that can be easily customized, Starfoam for surface protection and cushioning, Insulation that utilizes radiant technology and our Systems group that includes the AirSpace and TotalFoam solutions.

DURABUBBLE®

Durabubble's unmatched burst strength makes it the toughest bubble in the industry. It is the ideal solution for cushioning, void-filling and surface protection. Durabubble has been designed to perform under pressure.

Available in:

Standard and Anti-static rolls
Box-A-Bubble® and Handi-Pak dispensers
Duramask™ adhesive and Durabond™ cohesive
Durakraft laminate
E-Z Seal Pouches
Endurabubble™ tri-web
Anti-static shielding

MAILERS

Polyair's diverse line of mailing solutions is aimed at meeting every mailing and fulfillment requirement. Lined with high-slip Durabubble, our mailers combine excellent cushioning with a variety of rugged exteriors. Each mailer can be custom printed to suit any promotional or

advertising need. This year's featured product is the eCom Mailer.™ This mailer is an inexpensive and easy to use protective-shipping container perfectly suited for e-commerce transactions as well as the next day delivery market. This highly durable mailer is one of the most versatile on the market. Made completely out of polyethylene it is both environmentally friendly and entirely recyclable.

Available in:

Decolite decorative bubble mailer
Fastpak® polyethylene courier mailer
Padded Bag macerated kraft mailer
eCom™ polyethylene courier bubble mailer
Ecolite® golden kraft bubble mailer

STARFOAM

The superiority of Starfoam is the result of advanced technology. Starfoam's strength comes from its cell structure, which is naturally resistant to punctures and tears. This makes Starfoam the perfect solution for surface protection and cushioning.

Available in:

E-Z Seal pouches
Starmask™ adhesive and Starbond™ cohesive
Lamifoam® poly-laminate
Starkraft™ laminate
Lamifilm® bags
Starnet® woven laminate
Starmover® ventilated laminate

SYSTEMS

Each of Polyair's system solutions has been engineered to be highly efficient and user friendly. The AirSpace Pillow Packaging System provides on-demand air pillows for cushioning and void filling, while the TotalFoam foam-in-place system provides expanding polyurethane foam for blocking, bracing and void-filling.

Available in:

AirSpace® unit and accessories
TotalFoam™ unit and accessories

INSULATION

Flexfoil® and Flexotherm™ are uniquely designed products for the residential and commercial construction industry. Both products have an aluminum outer surface, which reflects up to 97% of radiant heat back to its source. These products increase a home's efficiency along with raising comfort levels.

Available in:

Foil single bubble foil
Foil single bubble poly
Foil double bubble foil
Foil double bubble poly
Flexotherm, 250 and 450 sq. ft. rolls

Pool Products Profile

Established in 1968. Our product line has grown to include an exciting array of first quality swimming pool products.

Aqua Cover® Solar Blankets

Bubble blanket floats on swimming pool to conserve heat and energy.

Aqua Cover® Solar Blanket Reel Systems

Enables one person to manually remove solar blanket from pool. Increases solar blanket life.

Aqua Foam® Polyethylene Wall Lining Foam

Lines the inside walls of a swimming pool before a vinyl liner is installed.

Molly Brown® Floatation Cushions

Unsinkable float filled with 20,000 individual air cells. 100-year no-sink warranty.

Aqua Cover® Leaf Nets

Open mesh cover keeps leaves and debris out of the pool in spring and fall.

Aqua Cover® Winter Covers

Triple polyethylene laminate covers for winter pool protection.

Aqua Cover® Water Tubes

Vinyl tubes filled with water to hold down winter covers.

Aqua Liner® Vinyl Liners

PVC vinyl lining, available in many attractive patterns, installed in pool to hold water.

Secur-A-Pool® Safety Cover Systems

Visually appealing mesh pool cover consisting of strap and spring suspension system which supports sufficient weight to protect pool from accidental intrusion.

Secur&Clean® Solid Pool Protection Systems

Similar to above, features a non-porous fabric. Keeps pool cleaner, while still providing protection.

Protect-A-Pool® Above Ground Fencing

Resin above ground fencing with optional gate. Fits all sizes and styles of above ground pools.

Protect-A-Pool™ In-Ground Removable Safety Fence

Removes and installs in minutes and is ideally suited for any environment. The fence has a climb resistant surface and exceeds ANSI test standards.

Summer Fun® Above Ground Pools

Easy to install, reasonably priced pools. Named for the reason families purchase pools.

Recreational Products

Camping pads made with air bubble and foam.

Sure Set® Concrete Curing Blankets

Keeps freshly poured concrete walkways, etc. warm in winter so concrete properly cures.

Construction Tarpaulins

Used to insulate scaffolding, materials and workers on construction sites from the elements.

Secur-A-Matic® Automatic Safety Cover

One touch of a button rolls this premium electronic safety cover on or off the pool.



OUR EXPERTISE IS INNOVATIVE

packaging

INNOVATIVE PACKAGING SOLUTIONS

Durabubble® Packaging Bubble
Handi-Pak Bubble Dispensers
Durabubble™ Laminations
Flexfoil® Reflective Insulation
E-Z Seal Bubble Pouches
Starfoam® Polyethylene Foam
Lamifoam®
Lamifilm Bags®
Starnet®
Adhesive Duramask™ and Adhesive Starmask™
Cohesive Durabond™ and Cohesive Starbond™
Ecolite® Bubble Lined Mailing Bags
Fastpak®
eCom Mailer™ Bubble Lined Courier Bag
AirSpace®
TotalFoam™
Flexotherm™ Reflective Vapour Barrier
Box-A-Bubble®
Durakraft Laminate
Endurabubble™ Tri-Web
Anti-Static Shielding
Starkraft™ Laminate
Starmover® Ventilated Laminate
Decolite
Padded Bags



AIRSPACE® SYSTEM
pillow packaging



AIRSPACE® PILLOWS
protective cushioning

However it gets from point A to point B, it's what's inside a package that counts most. Businesses and people need to know that their materials will arrive safely at their destinations. That's the value of Polyair packaging products.

Polyair's Packaging Group's revenues increased by 32.3% in the year 2000 over the prior year. This exceptional growth relative to the overall packaging industry reflects our diversified customer base, geographic expansion, product innovation and experienced sales force.

Future growth for our packaging business will be generated by further expanding the customer base, opening of new plants in developing industrial markets, the ability to design innovative products, and the strategic acquisition of companies with complementary product lines.

The acquisition of Beco Products and the growth of Polyair's subsidiary PSC Moulding Corporation has expanded our presence in the construction insulation market and lays the foundation for further growth in this area.

Polyair's creative sales force together with our talented product development, customer service and manufacturing groups will continue to make inroads in sectors of the marketplace that depend highly on the protective packaging abilities of our products. These opportunities are immense and are evident with the company's growth in sales in the automotive, telecommunication, retail and e-commerce sectors of today's business environment.

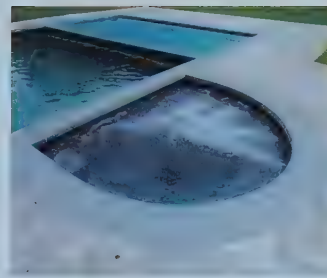


NOW, TAKE A LOOK

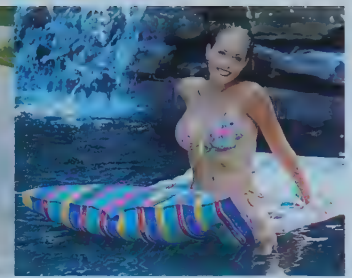
outside

POOL PRODUCTS PROFILE

Aqua Cover® Solar Blankets
Aqua Cover® Solar Blanket Reel Systems
Aqua Foam® Polyethylene Wall Lining Foam
Molly Brown® Floatation Cushions
Aqua Cover® Leaf Nets
Aqua Cover® Winter Covers
Aqua Cover® Water Tubes
Aqua Liner® Vinyl Liners
Secur-A-Pool® Safety Cover Systems
Secur&Clean® Solid Pool Protection Systems
Protect-A-Pool® Above Ground Fencing
Protect-A-Pool™ In-Ground Removable Safety Fence
Summer Fun® Above Ground Pools
Recreational Products
Sure Set® Concrete Curing Blankets
Construction Tarpaulins
Secur-A-Matic® Automatic Safety Cover



SECUR-A-MATIC®
automatic safety cover



MOLLY BROWN®
floatation cushions

Polyair is more than packaging. Our Cantar Pool Division has earned an excellent reputation for marketing and manufacturing a wide range of quality products.

Polyair's Cantar Pool Division manufactures the most diverse line of pool accessories in North America. Several of our most popular products, such as solar blankets, winter covers, and vinyl liners, have a finite useful life and require replacement every three to ten years. Other product lines appeal to the growing market for safety related swimming pool items, such as safety covers and safety pool fence. These factors, combined with the universal growth of the industry contributed to an increased demand for Cantar's pool accessories.

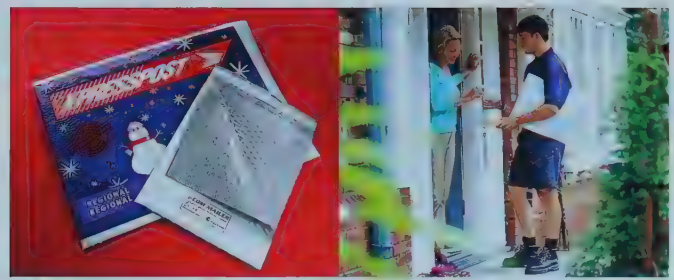
The Cantar Division continues to diversify and add product lines such as safety pool fencing, electric automatic pool covers, and alternate solar blanket removal systems. Industry trends indicate that the market for safety products is accelerating faster than the industry at large and our company endeavors to take advantage of this increased demand.

A very talented and strategic group of individuals leads our experienced sales and marketing units. With our professional sales force consisting of polished industry veterans, we expect to maintain a dominant share in the market. Cantar also has the ability to deliver more products to more customers than many of our competitors. Cantar's customer base understands our capabilities, and therefore we are the supplier of choice to many of the largest wholesale distributors, professional pool dealers, and catalog houses in North America.



OUR VISION KEEPS US MOVING

forward



eCOM MAILER™
bubble lined courier bag

eCOM MAILER™
perfect mailing solution

Polyair is constantly looking towards the future by creating and marketing innovative products that will meet the demands of the marketplace in years to come.

Our success depends on our ability to produce and deliver high quality products that fit with the daily needs of people and businesses. Recognizing those needs, and how our products can best be applied, is a Polyair strength.

This year, for example, the rapid growth of the Internet has created great opportunity. Every on-line order for packaged goods creates a need for fulfillment. That means an increase in deliveries, and a huge increase in the need for specialized packaging. Our eCom Mailers and Air Pillow System are meeting these needs – and should generate substantial new growth for us. We are taking a long-term view toward e-commerce which continues to have boundless potential notwithstanding cyclical trends and fluctuations in the stock market.

Our Cantar Pool Division develops and delivers safety products such as pool fencing and safety covers to meet consumer's safety. The Cantar name has been synonymous with quality and innovation for over 30 years. We continue to add innovative products to our large and successful group of products, always looking for creative answers to our customer's needs.

We believe continued advancement in pool safety will lead not only to growth in those products but ultimately in new pool installation too.

Since 1996 we have focused our efforts on improving our manufacturing capabilities, adding innovative products, honing our management skills and increasing our capacity. Polyair's history has been one of continued growth to meet or anticipate consumer demand. Each expansion has led to our increased profitability. We see this as a good track record, and we continue to look for new opportunities.

HAVE YOU EVER OUT

numbers

Five Year Financial Summary

Years ended October 31 (in thousands of U.S. dollars)	2000	1999	1998	1997	1996
Operating Results					
Sales	104,964	113,400	88,985	88,524	49,612
Earnings before interest, taxes, depreciation and amortization	11,319	7,710	5,335	4,417	3,383
Operating profit	7,284	5,121	5,152	3,073	2,592
Net income	3,126	2,005	1,451	1,295	1,284
Cash provided by (used in) operations	1,165	5,163	5,600	(1,372)	3,768
As at October 31 (in thousands of U.S. dollars)	2000	1999	1998	1997	1996
Balance Sheet Data					
Working capital	8,052	6,892	8,049	6,003	6,334
Total assets	40,529	52,214	49,205	41,697	31,905
Long-term debt (including current portion)	23,723	18,458	16,768	10,230	7,125
Due to shareholders	-	-	-	-	-
Additions to plant and equipment	12,491	6,830	7,228	6,135	9,124

Management’s Discussion and Analysis

For the year ended October 31, 2000 compared to the fiscal year ended October 31, 1999

As of the first quarter of fiscal 2000, the company began reporting results in United States dollars. The results for the prior fiscal years have been converted to United States dollars at the exchange rate in effect on October 31, 1999.

Sales for the year ended October 31, 2000 were \$105.0 million representing an increase of approximately 26% or \$21.6 million over the comparable period in 1999. The increase in net sales primarily reflects increased volumes and new product introductions.

Sales of packaging products increased by 32% to \$73.1 million, while sales of pool products increased 13% to \$31.9 million. The increase in packaging revenues was due primarily to increased unit sales in most packaging products, sales for the entire year from the PSC Moulding operation which was acquired in August 1999, sales for the two month period from the recently acquired Accent Packaging Products and new product introductions. Pool product revenues increased primarily due to higher volumes of most products.

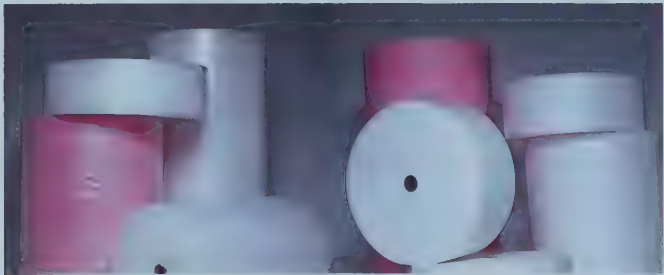
Operating earnings before interest, taxes and depreciation and amortization (EBITDA) increased 47% to \$11.3 million from \$7.7 million in 1999.

Gross margin at 21.8% remained relatively constant compared to 21.7% in 1999. Our manufacturing overheads as a percentage of sales increased mainly due to higher depreciation expense.

Selling and general and administrative expenses as a percentage of sales decreased to 14.9% in 2000 from 15.6% in fiscal 1999.

Operating profit increased to \$7.3 million from \$5.1 million in 1999. This was due primarily to the increase in sales volumes and new product introductions.

Interest on long term debt increased as a result of increased borrowings related to acquisitions and capital expenditures made during the current year and higher interest rates for the floating rate portions of our long term debt. Other interest expense increased due to higher average borrowings under our working capital line and higher interest rates.



DURABUBBLE™ ROLLS

STARFOAM™ ROLLS



SECUR-A-POOL®
safety cover system

ABOVE GROUND SOLAR FOLDER
solar blanket

For the year ended October 31, 1999 compared to the fiscal year ended October 31, 1998

Sales for the year ended October 31, 1999 were \$83.4 million representing an increase of approximately 21% or \$14.4 million over the comparable period in 1998. The increase in net sales primarily reflects increased unit volumes in both the packaging and pool sectors.

Sales of packaging products increased by 29% to \$55.2 million, while sales of pool products increased 8% to \$28.2 million. The increase in packaging revenues was due primarily to increased unit sales in most packaging products, our entire year of sales from the Kentucky operation which was acquired in September 1998 and the sales for the three month period from the recently acquired PSC Moulding operation. Pool product revenues increased primarily due to higher unit volumes of most products.

Operating earnings before interest, taxes and depreciation and amortization (EBITDA) increased 45% to \$7.7 million from \$5.3 million in 1998.

Gross margin improved to 21.7% from 19.5% in the 1998 period. The improved gross margin is a result of increased unit volumes in most products, favorable product mix, savings in material costs as a percentage of sales due to vertical integration and an increase in high value product selection as a result of the acquisition of our Kentucky facility in 1998.

Operating profit increased to \$5.1 million from \$3.1 million in 1998. This was due primarily to the increase in sales volumes, favorable product mix and cost savings from further vertical integration.

Interest on long term debt increased as a result of loans assumed from the acquisition of the Kentucky operation in September 1998 and as a result of obtaining term loans for capital expenditures that had been previously financed from our operating line. Other interest expense decreased as a result of obtaining term loans which were used to reduce our operating line borrowings and due to lower levels of working capital employed during the year.

Liquidity and Capital Resources

October 31, 2000

The company's principal sources of liquidity are cash on hand, unused borrowing capacity under existing lines of credit and cash flow from operations.

During the year, the company renegotiated its credit facility to increase the aggregate borrowing capacity to USD \$36.0 million. At year end the company had unused available borrowing capacity of approximately USD \$8.0 million.

Accounts receivable increased by \$4.6 million over the October 1999 level. The year over year increase is due to higher sales volumes. Days sales outstanding increased marginally to 48 days compared to 47 days in 1999.

Inventories at \$13.2 million at October 2000 increased \$3.8 million from October 1999. Total inventory turnover decreased to 6.0 times in 2000 from 7.0 times in 1999.

Cash provided by operations before changes in working capital increased to \$7.8 million from \$5.4 million in 1999 and investment in working capital increased \$6.6 million during the year.

The investment in working capital was largely financed by an increase in borrowings on the Company's working capital bank lines. Total investment of \$12.9 million in new equipment and acquisitions was financed by operating cash flow, \$5.3 million in net increase in long term debt, and available cash balances.

Risks and Uncertainties

Effective November 1, 1999, the Company adopted the U.S. dollar as the reporting currency for its operating results. The company's sales revenues are generated primarily in the United States in U.S. dollars. The Canadian dollar is the functional currency of the Company's Canadian operations. Income statement results are translated using the average rate of exchange for the year and all assets and liabilities are translated at the year end exchange rate.

The Company purchases goods and services in both functional currencies. To reduce its exposure to exchange rate fluctuations, the Company may hedge its currency risk based on management's view of currency trends, estimated currency requirements and consultation with the Company's financial advisors.

Demand and pricing for certain of the Company's protective packaging and pool accessory products are cyclical in nature and are subject to general economic conditions that affect the market demand. Adverse spring weather may affect pool product sales volumes. The company seeks to manage these risks through regional expansion and product line diversification in the major markets of the U.S. and with new product introductions and innovations.

The Company is subject to a wide range of environmental laws and regulations in Canada and the United States pertaining to the discharge of materials into the environment, the handling and disposal of wastes and otherwise relating to protection of the environment. Although all facilities are in compliance with regulatory standards, there can be no assurance that changes in environmental laws and regulations, or their application, will not require further expenditures by the Company.

Auditors' Report to the Shareholders

We have audited the consolidated balance sheets of Polyair Inter Pack Inc. as at October 31, 2000 and 1999 and the consolidated statements of income and retained earnings and cash flows for each of the years in the three-year period ended October 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

With respect to the consolidated financial statements for the year ended October 31, 2000, we conducted our audit in accordance with Canadian generally accepted auditing standards and United States generally accepted auditing standards. With respect to the consolidated financial statements for each of the years in the two-year period ended October 31, 1999, we conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2000 and 1999 and the results of its operations and its cash flows for each of the years in the three-year period ended October 31, 2000 in accordance with Canadian generally accepted accounting principles.

Canadian generally accepted accounting principles vary in certain significant respects from accounting principles generally accepted in the United States. Application of accounting principles generally accepted in the United States would have affected results of operations for each of the years in the three-year period ended October 31, 2000 and shareholders' equity as at October 31, 2000 and 1999 to the extent summarized in note 16 to the consolidated financial statements.

A handwritten signature in dark ink that reads "KPMG LLP". The signature is written in a cursive, slightly stylized font. Below the signature, there is a horizontal line that starts under the "K" and ends under the "P", with a small upward tick at the right end.

Chartered Accountants
Toronto, Canada
January 18, 2001

Consolidated Balance Sheets

October 31, 2000 and 1999	2000	1999
(in thousands of U.S. dollars)	\$	\$
Assets		
Current assets:		
Cash and cash equivalents	1,102	2,459
Accounts receivable, net of allowance for doubtful accounts	16,820	12,209
Income taxes receivable	757	—
Inventory (note 3)	13,160	9,335
Prepaid expenses and other	616	351
Future income tax assets	475	195
	32,930	24,549
Capital assets, net (note 4)	33,825	25,585
Future income tax assets	589	911
Other assets, net (note 5)	1,185	1,169
	68,529	52,214

Liabilities and Shareholders' Equity

Current liabilities:		
Bank indebtedness (note 6)	7,131	1,256
Accounts payable	11,780	10,500
Accrued liabilities	4,035	2,931
Income taxes payable	494	236
Current portion of long-term debt (note 7)	3,438	2,734
	26,878	17,657
Long-term debt (note 7)	20,285	15,724
Future income tax liabilities	2,336	1,730
Minority interest	—	10
Shareholders' equity:		
Capital stock (note 8)	10,376	10,672
Retained earnings	8,780	6,067
Cumulative translation adjustment	(126)	354
	19,030	17,093
	68,529	52,214

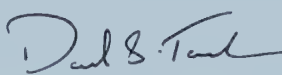
See accompanying notes to consolidated financial statements.

On behalf of the Board:



Henry Schnurbach

Director



Daniel S. Tamkin

Director

Consolidated Statements of Income and Retained Earnings

Years ended October 31, 2000, 1999 and 1998	2000	1999	1998
(in thousands of U.S. dollars)	\$	\$	\$
Sales	104,964	83,431	68,985
Cost of sales	82,058	65,297	55,509
Gross profit	22,906	18,134	13,476
Expenses:			
Selling	8,664	7,295	5,830
General and administrative	6,958	5,708	4,494
	15,622	13,003	10,324
Operating profit	7,284	5,131	3,152
Interest expense, net (note 7)	2,024	1,363	1,128
Income before minority interest and income taxes	5,260	3,768	2,024
Minority interest	10	(10)	—
Income taxes (note 9):			
Current	1,496	990	90
Future	648	403	483
	2,144	1,393	573
Net income	3,126	2,365	1,451
Retained earnings, beginning of year	6,067	3,864	2,418
Purchase of treasury stock (note 8)	(413)	(162)	(5)
Retained earnings, end of year	8,780	6,067	3,864
Earnings per share (note 10):			
Basic	0.48	0.35	0.21
Diluted	0.48	0.35	0.21
Weighted average number of shares outstanding:			
Basic	6,571,400	6,719,940	6,819,868

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended October 31, 2000, 1999 and 1998	2000	1999	1998
(in thousands of U.S. dollars)	\$	\$	\$
Cash provided by (used in):			
Operating activities:			
Net income	3,126	2,365	1,451
Items which do not involve cash:			
Depreciation and amortization	4,035	2,579	2,183
Future income taxes	648	403	483
Minority interest	(10)	10	—
	7,799	5,357	4,117
Change in non-cash working capital:			
Accounts receivable	(4,727)	(1,246)	822
Inventory	(3,730)	203	399
Prepaid expenses and other	(276)	37	254
Accounts payable and accrued liabilities	2,618	2,841	1,420
Income taxes payable	(519)	971	(1,144)
	1,165	8,163	5,868
Financing activities:			
Increase in long-term debt	8,200	5,027	2,717
Decrease in long-term debt	(2,867)	(3,431)	(1,329)
Increase (decrease) in bank indebtedness	5,894	(4,539)	(3,889)
Purchase of treasury stock (note 8)	(709)	(370)	(13)
	10,518	(3,313)	(2,514)
Investing activities:			
Purchase and deposits on building and equipment	(7,313)	(6,203)	(2,986)
Acquisitions, net of cash acquired (note 2)	(5,438)	(607)	(1,103)
Other	(181)	(52)	(67)
	(12,932)	(6,862)	(4,156)
Effect of foreign currency translation on cash balances	(108)	(312)	181
Decrease in cash and cash equivalents	(1,357)	(2,324)	(621)
Cash and cash equivalents, beginning of year	2,459	4,783	5,404
Cash and cash equivalents, end of year	1,102	2,459	4,783
Supplemental cash flow information:			
Interest paid	1,950	1,390	1,203
Income taxes paid, net of refunds	1,964	141	1,286

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Polyair Inter Pack Inc. (the "Company") manufactures and markets packaging and pool products to distributors located primarily in North America. The majority of the Company's sales are to customers in the United States from operations in the United States. The Company was incorporated on December 4, 1995 in Ontario, Canada, to facilitate an Initial Public Offering of common stock which was completed on February 22, 1996. Immediately prior to the closing of the offering on February 22, 1996, a reorganization was effected, whereby the Company became the parent company of Cantar/Polyair Inc. The reorganization was accounted for at book value by the continuity of interests method as the various entities that were part of the reorganization were under common control. As part of the reorganization, the Board of Directors approved an elimination of the deficit at February 22, 1996 against share capital.

The accompanying consolidated financial statements include the accounts of the Company's wholly owned subsidiaries, Cantar/Polyair Inc., Cantar/Polyair Corporation, Cantar/Polyair Canada Limited, Performa Corp., C/P International Corp. Inc., Cantar/Polyair of Illinois Inc. and from the dates of acquisition, Mabex Universal Corp. and PSC Moulding Corporation (76% owned) (note 2). All significant intercompany accounts and transactions have been eliminated on consolidation.

1. Significant accounting policies:

The consolidated financial statements of the Company have been prepared by management in accordance with accounting principles generally accepted in Canada and, except as described in note 16, conform in all material respects with accounting principles generally accepted in the United States and practices prescribed by the United States Securities and Exchange Commission.

(a) Change in reporting currency:

The Company previously reported its consolidated financial statements in Canadian dollars. As a result of the Company's rapid growth across the United States, together with its listing on the American Stock Exchange, the Company adopted the U.S. dollar as the reporting currency for preparation of its consolidated financial statements effective November 1, 1999. Comparative figures previously reported have been translated into U.S. dollars at the exchange rate in effect on October 31, 1999.

The U.S. dollar is the functional currency of the Company's United States operations. The Canadian dollar is the functional currency of the Company's Canadian operations, which are translated into U.S. dollars using the current rate method. Under this method, all assets and liabilities are translated at the year-end rate of exchange and all revenue and expense items are translated at the average rate of exchange for the year. Exchange rate differences arising on translation are deferred as a separate component of shareholders' equity.

(b) Change in accounting policy:

Effective November 1, 1999, the Company has adopted the new CICA Handbook recommendations relating to earnings per share (note 10).

(c) Measurement uncertainty:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(d) Revenue recognition:

Revenue from product sales is recognized when title passes to the customer, after making appropriate provision for sales returns and credit memos issued.

(e) Cash and cash equivalents:

The Company considers all highly liquid financial instruments with maturity of three months or less at acquisition to be cash equivalents.

(f) Inventory:

Inventory is stated at the lower of cost, determined by the first-in, first-out method, and net realizable value.

(g) Capital assets:

Capital assets are recorded at cost, including, for major projects, interest capitalized during the construction period. Depreciation is recorded once assets are in use and is calculated using the straight-line method at annual rates designed to amortize the cost over their estimated useful lives as follows:

Buildings	2 1/2%
Machinery and equipment	10% – 50%
Furniture and fixtures	20%
Computer equipment	33%
Leasehold improvements	Over term of lease plus first renewal term

Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

(h) Patent, trademarks and license agreement:

Patent, trademarks and license agreement are stated at cost, net of accumulated amortization. Amortization is provided over the economic useful lives of the intangible assets using the straight-line method.

(i) Deferred financing costs:

Deferred financing costs are amortized over the term of the related financing.

(j) Goodwill:

Goodwill is amortized on a straight-line basis over 10 years. The Company periodically evaluates permanent impairment of goodwill by reference to expected undiscounted operating cash flow of the respective entities.

(k) Financial instruments:

The Company, in the normal course of business, enters into forward exchange contracts, swaps and options to manage foreign currency exposures. Gains and losses on these financial instruments are recognized in the same year as the underlying exposure being hedged.

(l) Income taxes:

The Company follows the asset and liability method of accounting for income taxes. Under the asset and liability method of accounting for income taxes, future tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying value and tax basis of assets and liabilities.

Future tax assets and liabilities are measured using substantially enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that the rate changes.

(m) Stock-based compensation plan:

The Company has a stock-based compensation plan, which is described in note 8. No compensation expense is recognized for this plan when stock or stock options are issued to employees. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to share capital.

(n) Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

2. Acquisitions:

- (a) Effective August 23, 2000, the Company acquired substantially all of the assets of Accent Packaging ("Accent"), a division of Century Products Inc., and certain assets of Beco Building Products Inc. ("Beco"). Accent, a regional manufacturer of a specialized line of packaging products, including bubble mailers, and bubble and reflective insulation, has facilities in Atlanta, Georgia and Malden, Massachusetts. Beco is a supplier of specialized building materials and services to commercial users. The total consideration for the assets purchased was cash of \$5.4 million including acquisition costs. The results of operations have been consolidated from the date of acquisition. The purchases are accounted for using the purchase method and the purchase cost was allocated to the fair value of the net assets acquired as follows:

	\$
Inventory	260
Capital assets	5,178
	5,438

- (b) Effective July 31, 1999, the Company acquired a 76% interest in PSC Moulding Corporation ("PSC"), an Ontario-based manufacturer and marketer of polystyrene moulded products with applications in packaging and construction products, for cash consideration of \$607,000. The results of operations have been consolidated from the date of acquisition. The acquisition is considered a related party transaction for accounting purposes. A director and significant shareholder of the Company was a director of the vendor of PSC. The acquisition is accounted for by the purchase method, and the purchase cost was allocated to the fair value of the net assets acquired as follows:

	\$
Current assets	602
Capital assets	627
Goodwill	618
	1,847
Current liabilities assumed	(239)
Long-term liabilities assumed	(960)
Future income tax liabilities	(41)
	(1,240)
Net purchase cost	607

The goodwill of \$0.6 million represents the excess of the purchase cost over the estimated fair value of net assets acquired and is being amortized on a straight-line basis over its estimated useful life of 10 years.

PSC is subject to a 10-year Management Agreement at an annual management fee of \$140,000 and the Company's shares of PSC have been pledged as collateral security under this Management Agreement.

- (c) Effective August 31, 1998, the Company acquired the shares of Mabex Universal Corp. ("Mabex") for a total cash purchase cost of approximately \$2.1 million, including transaction costs. Concurrently, the Company disposed of certain net assets of a Mexican subsidiary of Mabex for net cash proceeds of \$220,000. No gain or loss was recorded on the disposal of these net assets.

The acquisition was accounted for by the purchase method and the purchase cost was allocated to the fair value of the net assets acquired as follows:

	\$
Cash	864
Other current assets	2,432
Capital assets	4,241
Other assets	124
	7,661
Current liabilities assumed	(1,320)
Long-term liabilities assumed	(4,374)
	(5,694)
Net purchase cost	1,967

3. Inventory:

	2000	1999
	\$	\$
Raw materials	8,765	5,840
Finished goods	4,395	3,495
	13,160	9,335

4. Capital assets:

			2000	1999
	Cost	Accumulated depreciation	Net book value	Net book value
	\$	\$	\$	\$
Land	132	—	132	132
Buildings	7,893	584	7,309	7,479
Machinery and equipment	33,926	10,805	23,121	15,384
Furniture and fixtures	890	544	346	352
Computer equipment	2,341	1,347	994	766
Leasehold improvements	2,014	922	1,092	963
Construction in progress	831	—	831	509
	48,027	14,202	33,825	25,585

5. Other assets:

			2000	1999
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Patent, trademarks and licence agreement	382	116	266	187
Deferred financing costs	766	400	366	379
Goodwill	650	97	553	603
	1,798	613	1,185	1,169

6. Bank indebtedness:

The Company has a total line of credit of approximately \$36.0 million, of which \$16.0 million is for working capital with availability determined monthly based on eligible accounts receivable and inventory. At October 31, 2000, there is an unused available working capital line of credit of approximately \$8.0 million. A total of \$20.0 million is available for capital expenditures, acquisitions and new business opportunities, of which \$11.8 million has been used as a term loan and \$8.2 million has been used as a letter of credit to support debt facilities. The letter of credit is subject to a fee of 1.0% per annum. The line is reviewed and renewed annually and is subject to an unused credit facility fee of 0.125% per annum on the undrawn balance.

	2000	1999
	\$	\$
\$11,000,000 credit facility, interest payable at U.S. prime plus 0.5% or LIBOR plus 2.25%	4,613	789
\$5,000,000 USD in Canadian dollar equivalent credit facility, interest payable at Canadian prime	2,518	467
	7,131	1,256

7. Long-term debt:

	2000	1999
	\$	\$
Term loan, repayable by monthly principal payments of \$99,500 plus interest at prime plus 0.5%, due 2006	6,518	3,870
Term loan, principal repayable over 60 months, with monthly interest at prime plus 2%	5,000	–
Debenture loan, bearing interest at 6.5% per annum, maturing April 1, 2005	4,000	4,000
Debenture loan, repayable by quarterly sinking fund installments. The rate of interest is floating, based on the rates prevalent for the highest rated short-term, U.S. federally tax-exempt obligations, maturing June 1, 2016.	2,988	3,070
Loan, repayable by monthly blended principal and interest installments of \$20,527, bearing interest at 3%, maturing January 2006	1,195	1,402
Note payable, bearing interest at 6.5% per annum, maturing July 31, 2000	–	937
Loan, repayable by monthly blended principal and interest installments of \$14,075, bearing interest at 3%, maturing March 2007	984	1,122
Canadian dollar-denominated term loan, repayable by monthly principal installments of Cdn. \$20,250 plus interest at prime plus 1%, maturing October 30, 2006	953	1,156
Loan, repayable by monthly blended principal and interest installments of \$12,903, bearing interest at 3%, maturing June 2007	933	1,059
Debenture loan, repayable by quarterly sinking fund installments. The rate of interest is floating, based on the rates prevalent for the highest rated short-term, U.S. federally tax-exempt obligations, maturing September 2003.	442	593
Term loan, repayable by monthly blended principal and interest installments of \$17,012, bearing interest at 7.756%, due April 2002	276	462
Note payable, repayable in quarterly blended principal and interest installments of \$16,942, bearing interest at 12%, maturing October 31, 2005	256	290
Term loan, repayable by monthly blended principal and interest installments of \$14,939, bearing interest at 7.756% per annum, due August 2001	137	305
Loan, repayable by monthly blended principal and interest installments of \$1,640, bearing interest at 6%, maturing February 1, 2003	41	58
Canadian dollar-denominated term loan, repayable by quarterly principal payments of Cdn. \$89,969, bearing interest at 14%, due April 2000	–	134
	23,723	18,458
Less current portion	3,438	2,734
	20,285	15,724

Certain of the loans are guaranteed by a bank letter of credit. The line of credit and the loan agreements are secured by substantially all the assets of the Company and contain various restrictive covenants relating to, among other things, minimum levels of tangible net worth and net income, limitations of indebtedness and building and equipment purchases, and various other items.

	2000	1999	1998
	\$	\$	\$
Interest expense on long-term debt	1,243	931	550
Other interest expense	850	590	707
Interest income	(69)	(158)	(129)
	2,024	1,363	1,128

Aggregate maturities on long-term debt are as follows:

	\$
2001	3,438
2002	3,764
2003	3,677
2004	4,061
2005	5,098
Thereafter	3,685
	23,723

8. Capital stock:

Authorized:

Unlimited common shares

Issued:

	2000		1999	
	Shares	\$ Amount	Shares	\$ Amount
Outstanding, beginning of year	6,685,400	10,672	6,815,000	10,880
Shares repurchased for cancellation	(183,300)	(296)	(129,600)	(208)
Outstanding, end of year	6,502,100	10,376	6,685,400	10,672

During the year, the Company repurchased for cancellation 183,300 (1999 – 129,600) common shares pursuant to a Normal Course Issuer bid at an average cost of \$3.87 (1999 – \$2.85) per share. The excess of the purchase cost over the book value of the shares was charged to retained earnings.

Stock options:

The Board of Directors may, at its discretion, grant options to purchase shares which vest over a period of seven years, to directors, officers or full-time salaried employees of the Company. One-seventh of the options are exercisable on the date of grant, with the balance vesting one-seventh on each of the next six anniversary dates. All options expire seven years from the date of grant. Under the plan 941,000 options are issuable. At year end, the weighted average remaining contractual life of the options is 2.7 years (1999 – 3.6 years) and 609,443 (1999 – 409,000) options are exercisable at \$6.00.

	Options (\$ 000's)			Average exercise price (Cdn. \$ per share)		
	2000	1999	1998	2000	1999	1998
Outstanding, beginning of year	841	820	825	6.00	6.00	6.00
Granted	36	21	7	6.00	6.00	6.00
Cancelled	(5)	–	(12)	(6.00)	–	(6.00)
Outstanding, end of year	872	841	820	6.00	6.00	6.00

9. Income taxes:

	2000	1999	1998
	\$	\$	\$
Current income taxes:			
U.S. federal	977	437	5
U.S. state	407	47	18
Canada	112	506	67
	1,496	990	90
Future income tax expense:			
U.S. federal	392	148	80
U.S. state	85	34	15
Canada	171	221	388
	648	403	483
	2,144	1,393	573

The Company's income tax expense differs from the amount that would have resulted by applying Canadian statutory tax rates of approximately 44.1% (1999 and 1998 – 44.6%) to earnings as described below:

	2000	1999	1998
	\$	\$	\$
Income tax expense calculated using statutory tax rates	2,320	1,681	903
Non-deductible expenses	110	44	82
Manufacturing and processing profits deduction	(25)	(82)	(56)
Foreign earnings subject to different tax rates	(263)	(125)	(263)
Revaluation of benefit of loss carryforwards	342	–	–
Future tax benefits previously unrecognized	(120)	–	–
Reduction in valuation allowance	(286)	(201)	–
Other	66	76	(93)
	2,144	1,393	573

A summary of the principal components of future tax liabilities calculated in accordance with Canadian accounting principles at October 31 is as follows:

	2000	1999
	\$	\$
Non-current future tax liabilities:		
Capital assets	(2,336)	(1,730)
Current future tax assets:		
Inventory	311	146
Accounts receivable	113	12
Corporate minimum tax credit	18	–
Accrued liabilities	33	37
	475	195
Non-current future tax assets:		
Deferred financing costs	8	110
Non-capital loss carryforwards	559	876
Capital loss carryforwards	28	12
Corporate minimum tax credit	114	319
Valuation allowance	(120)	(406)
	589	911
	1,064	1,106
Net future tax liabilities	(1,272)	(624)

One of the Company's U.S. subsidiaries has non-capital loss carryforwards of \$1,277,267, of which approximately \$106,000 expires in each year from 2001 to 2012. The Company's Canadian subsidiaries have corporate minimum tax credits of approximately \$71,000 and capital loss carryforwards of approximately \$89,000 for which no future income tax assets have been recognized.

10. Earnings per share:

Years ended October 31,

			2000			1999			1998					
			Per share			Per share			Per share					
Income			Shares	amount	Income			Shares	amount	Income		Shares	amount	
				\$					\$					\$
Basic earnings per share:														
Income available to common shareholders			3,126	6,571,400	0.48	2,365	6,719,940	0.35	1,451	6,819,868	0.21			
Effect of dilutive securities:														
Options			—	—	—	—	—	—	—	—	—			
Diluted earnings per share:														
Income available to common shareholders plus assumed conversions			3,126	6,571,400	0.48	2,365	6,719,940	0.35	1,451	6,819,868	0.21			

Options to purchase 896,700 (1999 – 841,200; 1998 – 820,200) common shares at Cdn. \$6.00 per share were outstanding as at October 31, 2000 but were not included in the computation of diluted earnings per share for that year because the options' exercise price was greater than the average market price of the common shares during the year.

The Company elected to adopt early the new CICA Handbook recommendations relating to earnings per share. The change in accounting policy has been applied retroactively. Consequently, the earnings per share figures for prior years have been restated to conform to the requirements of the new standard. As a result of this change in accounting policy, diluted earnings per share for the year ended October 31, 1999 increased by \$0.01. There was no impact on the diluted earnings per share for the year ended October 31, 1998 as a result of the adoption of this new standard.

11. Commitments:

The Company leases office and warehousing facilities under operating leases. Rental expenses for all operating leases for the year totalled \$1,866,668 (1999 – \$1,144,005; 1998 – \$999,167).

Future minimum rental payments to be made for all non-cancellable operating leases are as follows:

	\$
2001	2,122
2002	1,996
2003	1,556
2004	1,256
2005	629
	7,559

12. Related party transactions:

The Company is party to certain agreements and transactions in the normal course of business with shareholders and companies related by common ownership. Significant related party transactions not disclosed elsewhere include rent of \$173,852 (1999 – \$167,019; 1998 – \$211,085), which is recorded at the amount agreed to by the parties.

13. Contingencies:

The Company is involved in various legal proceedings normally incident to its business which, in the opinion of management, will not have a material impact upon the financial position of the Company.

A former shareholder has filed a claim against the Company for breach of contract and related claims in connection with a consulting agreement. In the opinion of management, the claims are without merit and will not have a material impact upon the financial position of the Company.

14. Financial instruments:

The fair values of the Company's financial assets and liabilities approximate their carrying values, based principally on short terms to maturities and interest rates offered to the Company for debt with similar terms and conditions.

The Company uses derivative financial instruments, including swaps, forward contracts and options to manage its foreign currency exposures. At October 31, 2000, the Company had no outstanding commitments.

15. Segmented information:

The Company manufactures and markets packaging and pool products. The Company operates in the United States and Canada.

By geographic region:

	2000	1999	1998
	\$	\$	\$
Sales:			
United States	89,131	71,556	59,620
Canada	15,833	11,875	9,365
	104,964	83,431	68,985
Capital assets and goodwill:			
United States	25,883	19,611	—
Canada	7,125	5,496	—
Corporate	1,370	1,081	—
	34,378	26,188	—
By operating segment:			
	2000	1999	1998
	\$	\$	\$
Sales:			
Packaging products	73,114	55,240	42,980
Pool products	31,850	28,191	26,005
	104,964	83,431	68,985
Depreciation and amortization:			
Packaging products	2,938	1,612	1,175
Pool products	549	564	653
Corporate	548	403	355
	4,035	2,579	2,183
Operating profit:			
Packaging products	10,121	7,994	5,899
Pool products	1,109	588	3
Corporate	(3,946)	(3,451)	(2,750)
	7,284	5,131	3,152
Total assets:			
Packaging products	45,384	31,417	26,868
Pool products	18,027	15,088	15,696
Corporate	5,118	5,709	6,641
	68,529	52,214	49,205
Capital expenditures:			
Packaging products	10,539	5,551	5,900
Pool products	1,473	805	1,089
Corporate	479	474	239
	12,491	6,830	7,228

16. Generally accepted accounting principles in Canada and the United States:

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada, which differ in certain material respects from the principles and practices that the Company would have followed had its consolidated financial statements been prepared in accordance with accounting principles and practices generally accepted in the United States.

(a) Change in reporting currency:

Under United States accounting principles, when a change in reporting currency occurs, the new reporting currency should be used to retroactively restate all prior periods for which financial information is presented based on exchange rates in effect in those prior periods. The application of United States accounting principles with respect to a change in reporting currency would not have a material impact on reported earnings for any of the periods presented, or on total shareholders' equity.

(b) Stock-based compensation plans:

United States accounting principles allow, but do not require companies to record compensation cost for stock option plans at fair value. The Company has chosen to continue to account for stock options using the intrinsic value method as permitted under Canadian and United States accounting principles. The United States pronouncement does, however, require the disclosure of pro forma earnings and earnings per share information as if the Company had accounted for its employee stock options under the fair value method. Accordingly, the fair value of these options has been estimated at the date of grant using a Black-Scholes option pricing model with the following assumptions:

	Assumptions					
	Expected volatility	Risk-free interest rate	Weighted average fair value	Expected life	Vesting period	Dividend
Options granted:						
1998	60%	5.00%	\$1.40	3	7	—
1999	60%	6.00%	2.69	7	7	—
2000	80%	6.50%	5.33	7	7	—

	2000	1999	1998
	\$	\$	\$
Net income – U.S. GAAP	3,126	2,365	1,451
Compensation cost	275	258	256
Pro forma net income – U.S. GAAP	2,851	2,107	1,195
Basic and diluted earnings per share – U.S. GAAP	0.48	0.35	0.21
Pro forma basic and diluted earnings per share	0.43	0.31	0.18

(c) Comprehensive income:

In applying SFAS No. 130, "Reporting Comprehensive Income," net income would be decreased by \$480,000 (1999 – increased by \$426,000; 1998 – reduced by \$767,000) for other comprehensive income, which resulted from foreign currency translation adjustments. The total comprehensive net income for the year would be \$2,646,000 (1999 – \$2,791,000; 1998 – \$684,000).

(d) Other recent accounting pronouncements:

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes methods of accounting for derivative financial instruments and hedging activities related to those instruments, as well as other hedging activities. The Company will be required to implement SFAS No. 133 for its fiscal year ending October 31, 2001. The Company does not believe that the adoption of SFAS No. 133 will have a material impact on its reported financial position, results of operations or cash flows for any of the years presented.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin 101 ("SAB 101"). SAB 101 summarizes certain areas of the Staff's views in applying U.S. GAAP to revenue recognition in financial statements. SAB 101 is effective December 15, 2000. Management does not expect the application of SAB 101 to have a material impact on the consolidated financial position or results of operations of the Company.

Corporate Information



ALAN CASTLE
President
Packaging Sales and Marketing

GARY CRANDALL
President
Pool Sales and Marketing



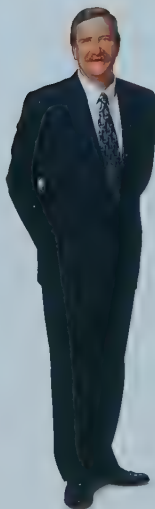
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Chief Financial Officer
Cantar Pool Products



KEVIN DAY
Chief Financial Officer
Polyair Packaging



CHRIS FRENCH
Vice-President
Operations



RAYMOND VERSHUM
Regional Vice-President
Manufacturing



CHRIS BARTLETT
Vice-President Engineering

Directors

Fred A. Litwin[†]

Chairman of the Board
President, Forum Financial Corporation
Toronto, Ontario

Henry Schnurbach

President and Chief Executive Officer
Polyair Inter Pack Inc.
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Alan Castle

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Sol D. Nayman^{†Δ}

Partner
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Sidney Greenberg^{†Δ}

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^Δ Audit Committee

[†] Compensation Committee

Officers of Polyair Inter Pack and Key Operating Subsidiaries

Henry Schnurbach

President and Chief Executive Officer

John Foglietta

Chief Financial Officer

Daniel S. Tamkin

Secretary

Alan Castle

President
Packaging Sales and Marketing
Cantar/Polyair Corp.

Gary Crandall

President
Pool Sales and Marketing
Cantar/Polyair Corp.

Chris Bartlett

Vice-President Engineering
Cantar/Polyair Canada Limited

Chris French

Vice-President Operations
Cantar/Polyair Canada Limited

Raymond Vershum

Regional Vice-President Manufacturing
Cantar/Polyair Corp.

Kevin Day

Chief Financial Officer
Polyair Packaging

Martin De Groot

President
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Jerry Vanderwerff

Vice-President
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Fax: (404) 629-6148

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808 East 113th Street
Chicago, Illinois 60628
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Auditors

KPMG LLP
Chartered Accountants
Toronto, Ontario

Transfer Agent and Registrar

Computershare Trust Co. of Canada
Toronto, Ontario

American Securities Transfer
and Trust, Inc.
Denver, Colorado

Investor Relations

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Annual Meeting

The annual meeting of shareholders will be held April 26th, 2001 at 4:00 p.m. at Polyair Inter Pack's offices at 258 Attwell Drive, Toronto, Ontario. The meeting notice and proxy materials were mailed to shareholders with this report. Polyair urges all shareholders to vote their proxies so that they can participate in the decisions at the annual meeting.

the complete package



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